NOOSA Council	**Council Policy** **MANAGEMENT OF RESTRICTED CASH**
Corporate Plan Reference:	***Theme No. 5. - Excellence*** *Objective 5.2 - Continue to deliver a financially sustainable Council that has the resources now and into the future to achieve its strategic objectives. This will be supported through the introduction of enhanced sustainability reporting and performance indicators, as well as ESG (environment social and governance) accounting practices as guided by statutory requirements*
Endorsed by Council:	23 June 2026
Policy Author:	Director Corporate Services

POLICY BACKGROUND

The purpose of this policy is to establish a framework for the ongoing management of cash reserves, including the establishment of targets and thresholds where appropriate.

COUNCIL POLICY

Restricted cash reserves are established to set aside funds for Council to meet regulatory requirements, allocate against specific future projects and activities, and to ensure sufficient working capital to meet current and long-term financial obligations.

All reserves are fully cash backed and are established for specific purposes. Restricted cash reserves fall into the categories of:

1. **Externally Restricted Cash**
   - Unexpended special rates and charges levy funds
   - Contributions received from developers for specific purposes constrained under legislation
   - Unexpended grants and subsidies received from State or Federal Government agencies.

2. **Internally Restricted Cash**
   - Unexpended separate rates and charges levy funds
   - Natural disaster rehabilitation
   - Asset renewal
   - Waste management
   - Holiday parks and other commercial activities
   - Plant replacement
   - Liquidity management (cash expense cover)
   - Other specific purposes (including unexpended loan funds).

To ensure oversight on restricted cash balances, a register of restricted cash will be maintained by Council and disclosed in the financial statements on an annual basis.

1. Externally Restricted Cash

Unexpended Special Rates and Charges Levy Funds

This category includes money received from special rates and charges, as outlined in the Revenue Statement, and for which a levy Overall Plan provides for funds to be spent over one or a number of financial periods. If the Overall Plan is for a number of financial periods, an annual implementation plan must be adopted by Council each year.

Funds can only be applied in accordance with the purpose for which they were originally collected, as outlined in the Revenue Statement. Should any levy be discontinued, remaining funds will be allocated in accordance with the provisions of the *Local Government Regulation 2012*.

Developer Contributions

This category includes contributions received from developers in accordance with conditions applied to development applications, subject to constraints imposed by other legislation. Funds may be allocated to fund trunk infrastructure investment or other expenditure as part of the annual budget process, and any unspent funds received in a financial year will be constrained for future use.

Unexpended Grants and Subsidies

This category includes funds received from either the State or Federal Governments by way of a specific advance or grant that is constrained or tied to a specific project or purpose, subject to contractual obligations or other legislation, or where it specifically relates to expenditure or a commitment in a future financial year.

2. Internally Restricted Cash

Unexpended Separate Rates

This category includes money received for separate rates and charges, as outlined in the Revenue Statement.

Funds will only be applied in accordance with the purpose for which they were originally collected, as outlined in the Revenue Statement. Should any rate be discontinued, remaining funds will be allocated back to consolidated revenue in accordance with the provisions of the *Local Government Regulation 2012.*

Natural Disaster Rehabilitation

Council makes provision in each budget to cater for natural disaster events, but the frequency and severity of events cannot be planned with any accuracy. Accordingly, cash will be restricted with a target balance of 5% of general rates revenue to cater for rehabilitation and repairs associated with storms, flooding, bush fires or other unforeseen events. The balance will be targeted to be maintained each year after consideration of surplus cash available from operations, and the financial impact of any actual disaster events.

Asset Renewal

Council will ensure that it maintains its assets and infrastructure on an ongoing basis at defined levels to ensure that services are able to be provided effectively to the community. The asset sustainability ratio is one of nine (9) key measures of financial sustainability required under legislation. Council will target over the life of the ten (10) year financial plan to achieve a minimum asset sustainability ratio of 80% (excluding plant, fleet and office equipment renewals) consistent with the benchmark unless condition-based renewal forecasts demonstrate a percentage lower than 80% in any given year.

Waste Management and Landfill Rehabilitation

Council applies the Code of Competitive Conduct to Waste Management activities, and to support this Council undertakes a full cost pricing model for determining charges to apply for waste management operations, which includes allocation of funds for future rehabilitation and replacement of assets in accordance with asset management and long-term financial planning principles.

Accordingly, unspent funds will be constrained to meet future business strategy and landfill rehabilitation obligations.

Holiday Parks and Other Commercial Activity

Council applies the Code of Competitive Conduct to its Holiday Parks, and to support this Council undertakes a full cost pricing model for determining charges to apply for operations, which includes allocation of funds for future replacement of assets in accordance with asset management and long-term financial planning principles.

Accordingly, unspent funds will be constrained to meet future business strategy obligations.

Plant Replacement

To ensure sufficient funds are available to finance the ongoing replacement of Council's plant and fleet, any operational surplus from fleet activities will be constrained to provide for expenditure in a future period.

Liquidity Management (unrestricted cash expense cover)

The unrestricted cash expense cover ratio is a key indicator utilised to measure Council liquidity (i.e. current financial health) and to also assess ongoing financial sustainability risk. This ratio calculates how long Council can continue paying its day-to-day expenses from cash at bank without needing additional cash flow injections. Council will target achieving a minimum cash expense cover of three months operating expenditure held as restricted cash in any given financial year.

Other Specific Purpose

Council budgets annually for a range of anticipated costs for legal and insurance claims that are part of normal operational activities. Any unspent portion of these budgets will be constrained to provide for unforeseen future risks as they arise.

Separate accounts within this category will also be maintained for stand-alone activities subject to external funding, such as Noosa Community Care.

Unexpended Loans
Loans are raised each year for specific projects as outlined in Council's debt policy, adopted with the annual budget. Any unspent funds will be constrained for application against the original projects identified in the budget and expended in subsequent financial years.

ROLES AND RESPONSIBILITIES

Councillors
Councillors will consider and adopt the Policy.

Chief Executive Officer (CEO) and Executive Team
The CEO and Executive Team will endorse for Council adoption and provide leadership and commitment in complying with the Policy and relevant legislation and documents.

Director Corporate Services
The Director Corporate Services is Policy owner and responsible for oversight of the financial management of Council's liquidity.

Financial Services Manager
The Financial Services Manager has operational responsibility for the development of Council's annual budget and long-term financial forecast and for oversight of Council's treasury function including cash management.

RELEVANT LEGISLATION AND POLICIES
There are no specific legislative requirements around the adoption of a formal policy regarding the restriction of cash, however, where unspent funds are derived from special rates and charges, specific grants, or developer contributions, the funds can only be allocated for the original purpose.

Relevant Council Policies
Financial Sustainability Policy
Investment Policy.

HUMAN RIGHTS COMPATIBILITY STATEMENT
In developing this policy, the subject matter has been considered in accordance with the requirements of the Queensland *Human Rights Act 2019*. It is considered that the subject matter does not conflict with any human rights and supports a human rights approach to decision making by Council.

This policy should be read in conjunction with the *Human Rights Act 2019* (QLD) and Council's Human Rights Policy.

Version control:

Version	Reason/ Trigger	Change (Y/N)	Endorsed/ Reviewed by	Date
1.0	Create new		Council	*07/05/2015*
2.0	Review	Y	Council	30/06/2021
3.0	Review	N	Council	28/6/2022
4.0	Review	Y	Council	30/06/2023
5.0	Review	Y	Council	28/06/2024
6.0	Review	Y	Council	30/06/2025
7.0	Review	Y	Council	23/06/2026